Projects in Profile

A Snapshot of Rental Projects under the Canada-Ontario Affordable Housing Program.

Summer • 2006

Ontario

Projects in Profile
Canada-Ontario Affordable Housing Program

EXECUTIVE SUMMARY

A key part of Ontario's Affordable Housing Strategy is the Canada-Ontario Affordable Housing Program (AHP). The provincial and federal governments are funding $301 million each for a total of $602 million over the next four years. The agreement will bring the total amount invested in affordable housing in Ontario by the federal, provincial, and municipal governments to at least $734 million over the life of the program.

Other major components of the province's Affordable Housing Strategy include the Strong Communities Rent Supplement Program and the Rent Bank Program. The Strong Communities Rent Supplement Program offers up to $50 million per year to municipal service managers for them to help tenants directly, or to work with agencies and landlords in the private or non-profit sectors. The Rent Bank Program assists tenants when they face temporary financial setbacks resulting from illness, a job loss, or a family emergency.

The Canada-Ontario AHP depends on collaboration among the federal and provincial governments and municipalities that have responsibility for housing (i.e. Service Managers). To date, 117 projects, creating 5,440 affordable rental units have been approved for funding as part of the AHP. More projects will be approved in 2006-07 as Service Managers deliver the AHP.

The *Projects in Profile* report provides a snapshot of the 117 rental projects; 5,440 units that currently have funding approvals in place. The report focuses on rent levels, unit sizes, target tenants and proponent types.

Some highlights are:

- 18 Service Managers and 3 District Social Services Administration Boards (DSSABs) are participating in the rental stream of the AHP so far.

- As of July 2006, 117 projects; 5,440 units have been approved for funding.
    - 29% of the units have been completed (1,565 units);
    - 43% of the units are under construction (2,340 units);
    - 28% of the units are under development* (1,535 units).

- Rent levels achieved so far:
    - 56% of the units are below CMHC average market rents (3,011 units);
    - 33% of the units are reserved as Rent Geared to Income (RGI), providing substantially lower rents (1,821 units);
    - 11% of the units are at CMHC average market rents (608 units).

EXECUTIVE SUMMARY (continued)

- The participation of Private Non-Profits (PNP) is most significant as they are sponsoring 41% (48) of the projects. There is almost an even split in project numbers between the Municipal Non-Profits (MNP) and the Private sector, with each proponent type sponsoring 25% (29) of the projects and 27% (32) of the projects respectively.

- Families as well as single occupants are being housed through the AHP. Most projects accommodate both families and single occupants ("mixed") while some projects are specifically dedicated to one household type (i.e. either single occupants or families). 51% (60) of the projects are mixed, while 35% (41) of the projects are dedicated to single occupants. 14% (16) of the projects are specifically dedicated to families.

- A significant number of projects have allocated units to specific tenant groups mainly to accommodate tenants with special needs. 44% (2,377 units) of all the units are committed to a particular tenant group, such as seniors, victims of domestic violence, people with mental illness, people with physical disabilities, new immigrants, and Aboriginals. Of these targeted units, the largest portion is dedicated to seniors, at 72% (1,709 units).

* "Under development" in this report refers to projects/units that are in different stages of the planning or pre-construction process. "Projects Completed" denotes those where construction is finished and there is occupancy.

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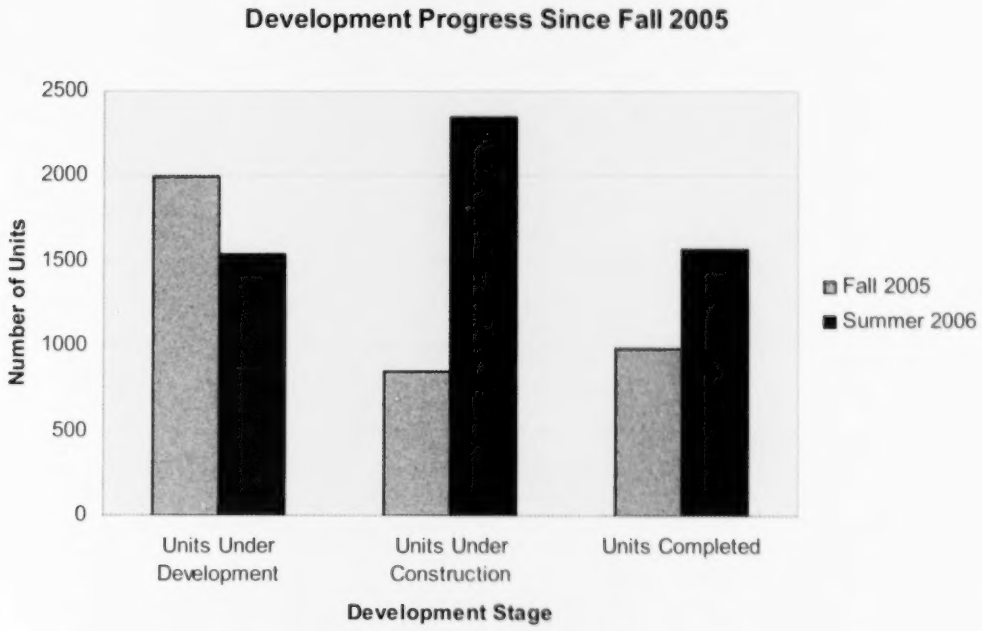
1. PROJECT/UNIT STATUS

To date, 18 Service Managers and 3 District Social Services Administration Boards (DSSABs) are participating in the rental stream of the Affordable Housing Program.

As of July 2006, 117 projects; 5,440 units have been approved for funding. 29% of the units have been completed (1,565 units), 43% are under construction (2,340 units), and 28% (1,535) are under development.

Service Manager	Projects Completed	Number of Units	Projects Under Construction	Number of Units	Projects Under Development	Number of Units	Total Projects	Total Units
EASTERN								
Cornwall	-	-	-	-	1	3	1	3
Kingston	-	-	2	107	4	63	6	170
Ottawa	2	86	3	185	4	139	9	410
Peterborough	-	-	5	183	3	70	8	253
Renfrew	1	24	-	-	-	-	1	24
CENTRAL								
Dufferin	-	-	-	-	1	12	1	12
Hamilton	2	58	3	224	2	87	7	369
Muskoka	-	-	1	10	-	-	1	10
Niagara	-	-	5	99	2	79	7	178
Peel	2	184	-	-	1	200	3	384
Simcoe	-	-	1	45	3	69	4	114
Toronto	4	387	9	1004	7	465	20	1,856
York	2	68	1	60	1	50	4	178
NORTHEASTERN								
Algoma	-	-	-	-	2	20	2	20
Nipissing	-	-	1	35	-	-	1	35
Parry Sound	-	-	-	-	1	20	1	20
SOUTHWESTERN								
Brantford	-	-	3	102	-	-	3	102
Chatham-Kent	-	-	1	1	-	-	1	1
London	3	126	3	121	-	-	6	247
Waterloo	14	555	5	147	8	258	27	960
Wellington	2	77	2	17	-	-	4	94
TOTAL	**32**	**1565**	**45**	**2340**	**40**	**1535**	**117**	**5440**

"Under development" in this report refers to projects/units that are in different stages of the planning or pre-construction process. "Projects Completed" denotes those where construction is finished and there is occupancy.

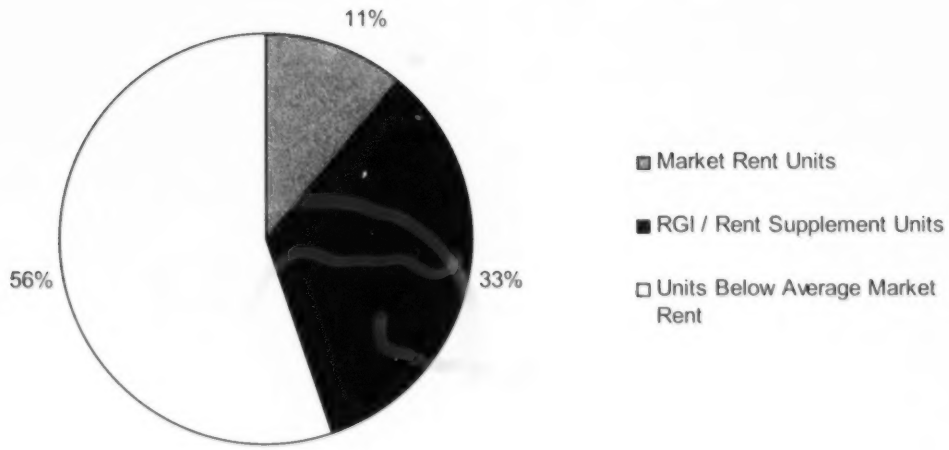

Development Progress Since Fall 2005
2500
2000
1500
1000
500
0
Number of Units
Units Under Development
Units Under Construction
Units Completed
Development Stage
Fall 2005
Summer 2006

2. RENT LEVELS

Most (56%) of the market rent units (3,011 units) are providing housing below CMHC (Canada Mortgage and Housing Corporation) average market rents; 11% (608 units) of the market rent units are at CMHC average market rents.

A significant proportion (33%) of the units (1,821 units) are reserved as Rent Geared to Income (RGI), providing substantially lower rents and increasing the affordability of the rental housing offered through the program. While a number of projects are applying rent supplements to 100% of their units, others are providing a portion of their units as RGI. (The ability for certain projects to offer RGI is dependent on municipal confirmation of the availability of funds once projects are occupied.)

Unit Rents

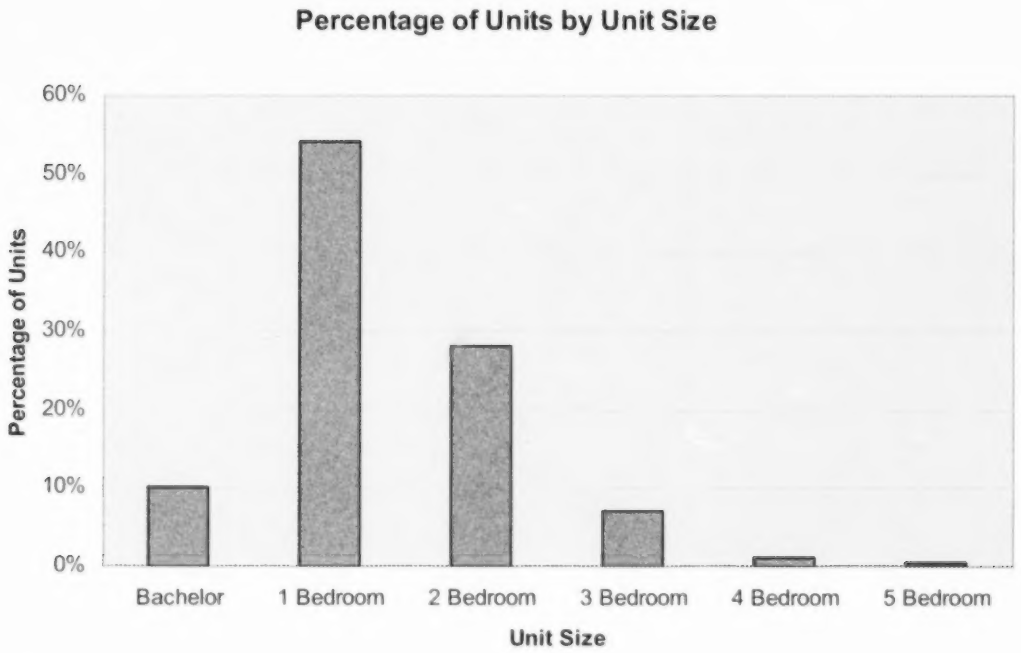


Please note that the levels of RGI units could be different – likely higher – than those indicated here, once the projects are completed and the RGI levels are finalized. This is because some projects have indicated RGI as "to be determined". They were counted as 0 for our purposes. In addition, a number of service manager areas have required that every project allot a certain percentage of units as RGI. The requirement is generally that at least 25% of a project's units be reserved for RGI, contingent on availability of rent supplement funding.

3. NUMBER OF UNITS BY BEDROOM SIZE

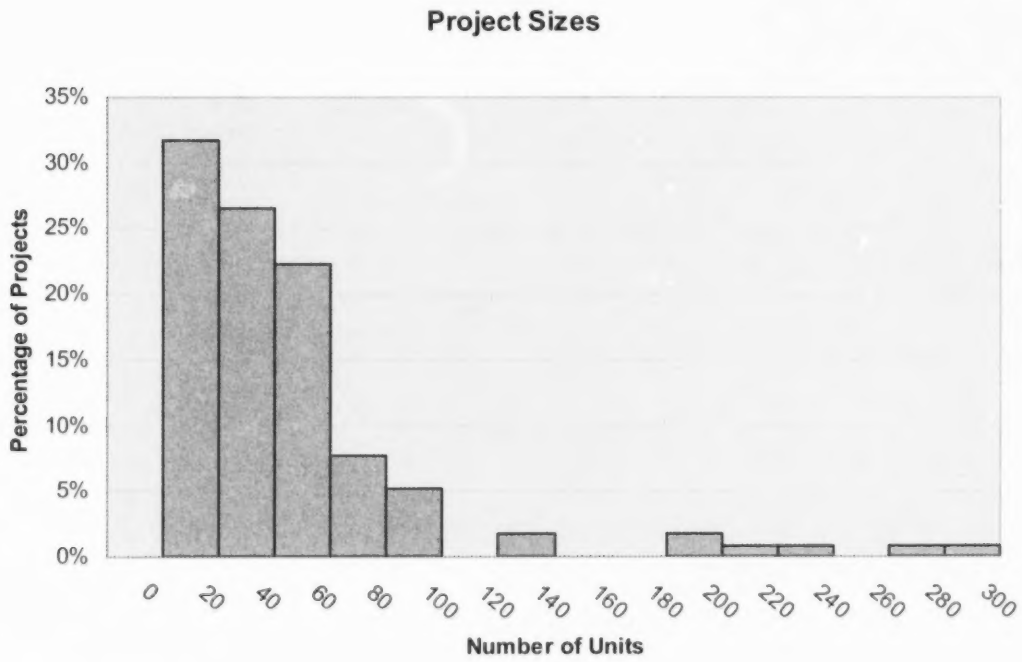
The majority of the units (54%) are 1-bedroom units (2,936 units); 2-bedroom units come a distant second at 28% (1,502 units). Bachelors and 3-bedroom units are comparatively low, comprising 10% (538 units) and 7% (386 units) respectively of all the units. Large units – 4 or 5-bedrooms are a rarity, with 4-bedroom and 5-bedroom units encompassing 1% (59 units) and 0.35% (19 units) respectively.

These numbers show that most of the tenants are either single occupants or small families (see section 6. "Household Type", for more information).



4. PROJECT SIZES

The bulk of the AHP projects can be considered small to medium sized based on the number of units per project. 58% (68) of the projects have up to 40 units. 30% (35) of the projects contain between 41-80 units. Only 12% of the projects (14) consist of 81 or more units. The largest project is in Toronto with 300 units. At the other end of the spectrum, there is a 1-unit project in Chatham-Kent and a 2-unit project in Kingston.



5. PROPONENT TYPES

The participation of Private Non-Profits (PNP) is most significant as they are sponsoring 41% (48) of the projects. There is almost an even split in project numbers between the Municipal Non-Profits (MNP) and the Private sector, with each proponent type sponsoring 25% (29) of the projects and 27% (32) of the projects respectively. (Six of the projects included in the MNP category are directly sponsored by Service Managers, i.e., Peel, York and Waterloo Region, Dufferin County, and Algoma - sponsoring two projects).

A small minority, 3% (3) of the projects are co-operatives.

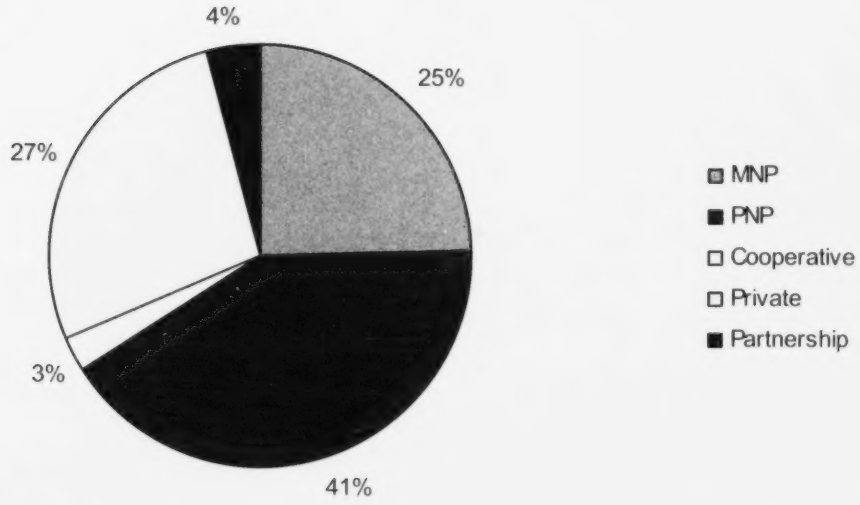
Partnerships
4% of the projects (5) are partnerships between Private and PNP proponents. These typically involve a head-lease agreement where the Private partner is responsible for the development/construction of the building. The PNP, as the "head tenant", is in charge of the tenant selection and property management.

Although they are not official partnerships, there are a few projects that involve collaboration between the proponent and another organization/company. For example, the Ottawa Community Housing Corporation (OCHC) is in partnership with Hartman's grocery, which is enabling the construction of housing on top of its store. The same project also involves a local agency, the Rideau St. Youth Enterprises "YouthBuild", and HRDC in the construction of units.

Another example is the Guelph Non-Profit's partnership agreement with the Guelph Wellington Association for Community Living and Canadian Mental Health Association. The latter service organizations are in charge of the rent-up and tenant selection protocol.

Additionally, there is a project involving two PNPs that entails the two sponsors sharing the development responsibilities from the investigation to construction stages. However, only one of the PNPs is taking on the management, maintenance and tenant selection.

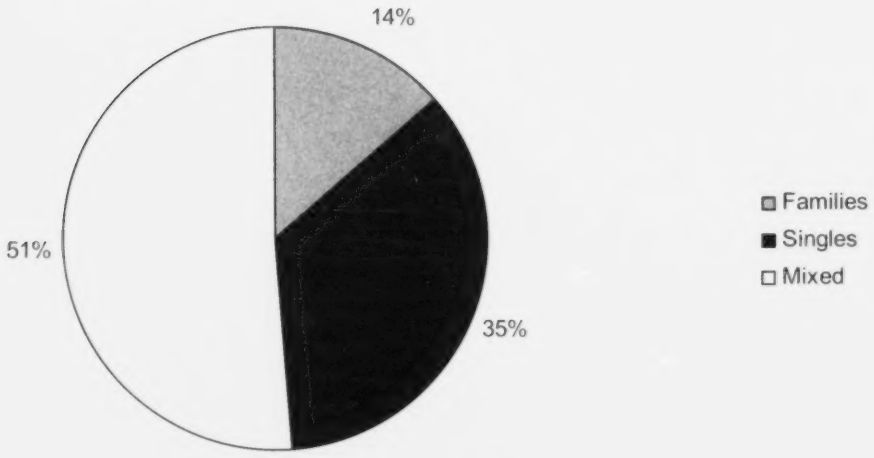
Proponent Types by Projects



6. HOUSEHOLD TYPES

Families as well as single occupants are being housed through the AHP. Most projects accommodate both families and single occupants ("mixed") while some projects are specifically dedicated to one household type (i.e. either single occupants or families). 51% of the (60) projects are mixed, while 35% (41) of the projects are dedicated to single occupants. 14% (16) of the projects are specifically dedicated to families.

Projects by Household Type

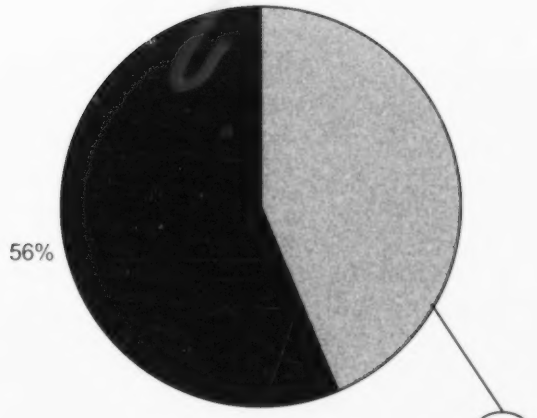


7. TARGET TENANTS

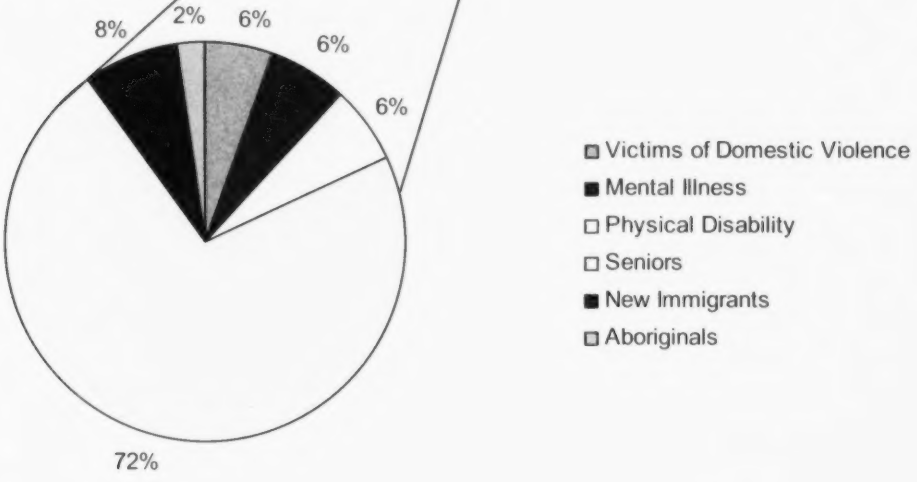
A significant number of projects have allocated units to specific tenant groups mainly to accommodate tenants with special needs. 44% (2,377 units) of all the units are committed to a particular tenant group, such as seniors, victims of domestic violence, people with mental illness, people with physical disabilities, new immigrants, and Aboriginals. Of these targeted units, largest portion is dedicated to seniors, at 72% (1,709 units).

Certain projects are fully committed to a particular tenant population, including groups other than those listed above. For example, "The Bridges" project in Waterloo is dedicated to people who are or have been homeless, and provides a transition to permanent rental accommodation. The Elizabeth Fry Society in Kingston targets women and girls in the criminal justice system. Several projects prioritize women and others target youth.

Targeted Units as a Percentage of All Units



Targeted Units by Target Group



8. SUPPORTIVE HOUSING

A number of Service Managers and proponents have taken the initiative to provide support services as an integral part of their project. These are a good reflection of the type of housing being provided and how tenant groups with special needs are being accommodated. A full two-thirds, or 68% (80 projects) of all projects incorporate supports.

The kinds of services offered vary from intensive, 24-hour personal care to daytime health and community development programs. For example, one project targeted to seniors is planning to attach 24-hour staff. They will offer such services as assistance with personal hygiene needs and daily living activities (e.g., washing, dressing), as well as essential homemaking (e.g., light house-cleaning, shopping). On the other hand, another seniors' building will provide health programs in its "seniors' active living centre".

The services will be administered and offered mainly by organizations specializing in certain fields such as long-term care (e.g., Homes for the Aged) or mental health (Canadian Mental Health Association), and who have entered into an agreement with the housing proponent.

The principal target groups for supportive services are seniors and people with mental or physical disabilities.

9. PHYSICAL DISABILITY ACCESS

26% (30) of the projects are offering different levels of accessibility within their portfolio – either fully accessible units, or wheelchair accessible units. Four projects are specifically targeted to people with physical disabilities (some also include seniors), and as such, 100% of their units are accessible. Additionally, several projects are being constructed with "universal design" principles, allowing for a range of disability access within the building itself.

10. MAXIMUM INCOME LEVELS

The maximum income levels households* can have upon application for AHP units are set at the Service Manager level through Municipal Housing Facilities By-laws. Maximum income levels apply to the market rent units only because there is a different selection and income verification process for subsidized units (e.g., RGI).

The most common standard for income maximums (applied by 5 service managers included in this section – Niagara, Waterloo, London, Guelph, Brantford) is based on the principle that approximately 30% of a household's gross income is spent on rent.

The Waterloo Region provided the following example of actual income maximums (by unit size) for households paying 30% of income on average rents based on CMHC's annual average rent survey: Bachelor: $20,720/year; 1 bedroom: $25,520/year; 2 bedroom: $30,000/year; 3 and 4 bedroom: $35,920/year.

Two Service Managers (Simcoe and Ottawa) are using the guideline that a tenant's income must be at a level in which they would spend approximately 20% of their gross annual income on rent. Toronto has set its target at 25%. In the latter case, if the monthly occupancy cost for a 1-bedroom unit is $891/month, then the income limit is $3,564/month, or $42,768/year.

Therefore, the majority of Service Managers - employing the 30% guideline - are using more stringent income maximums, targeting households with lower income levels.

Almost all of the Service Managers have also stipulated that households applying for an apartment cannot own residential property at the time the unit is initially rented.

* The term "households" refers to both families and single occupants.

11. TENANT SELECTION PROCESS

The most common methods to select tenants used by the great majority of proponents are to draw from Service Manager based centralized access lists for RGI units, and to openly advertise the market rent units.

A number of projects have also indicated that social service organizations will assist with tenant selection and referral for all or particular units, especially where supports or RGI are attached. For example, Heartwood Place intends to enter into a lease agreement with Waterloo Regional Homes for Mental Health, which will select tenants and provide services for 6-8 units. Brantford Y Homes' main selection process entails referrals from various agencies. Guelph Veterans/Matrix has reserved a number of RGI and supportive units for which tenants will be recommended by an agency.

A few sponsors will employ their own waiting lists. Guelph Veterans/Matrix, for instance, is also drawing on Matrix's internal list.

Bellwoods Centres for Community Living Inc. is using the centralized access point for persons with disabilities.

In a few cases (e.g., Brantford Y Homes, Matrix Affordable Homes), tenants currently living in other housing from the same proponent will be able to apply for the new AHP units.

Lastly, certain partnerships stipulate that one sponsor take responsibility for the tenant selection. In cases where the partnership is between a Private and a PNP proponent, the latter is in charge of the tenant take-up.

12. CONCLUSION

This profile of the AHP rental projects provides a snapshot of the 117 projects; 5,440 units that have been approved to date.

In summary:

- 89% of the units are rented at below market or at RGI levels.
- 54% of the units are 1-bedroom units.
- 58% the projects have up to 40 units.
- 41% of the projects are sponsored by Private Non-Profits.
- 51% of the projects are accommodating both families and single occupants.
- 44% of all the units are committed to a particular tenant group; of these targeted units, 72% are dedicated to seniors.
- 68% of the projects incorporate supportive services.
- 26% of the projects are offering different levels of physical accessibility within their portfolio – either fully accessible units, or wheelchair accessible units.

For further information about this report, please contact the Delivery Branch general phone line at **416-585-6437**.

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